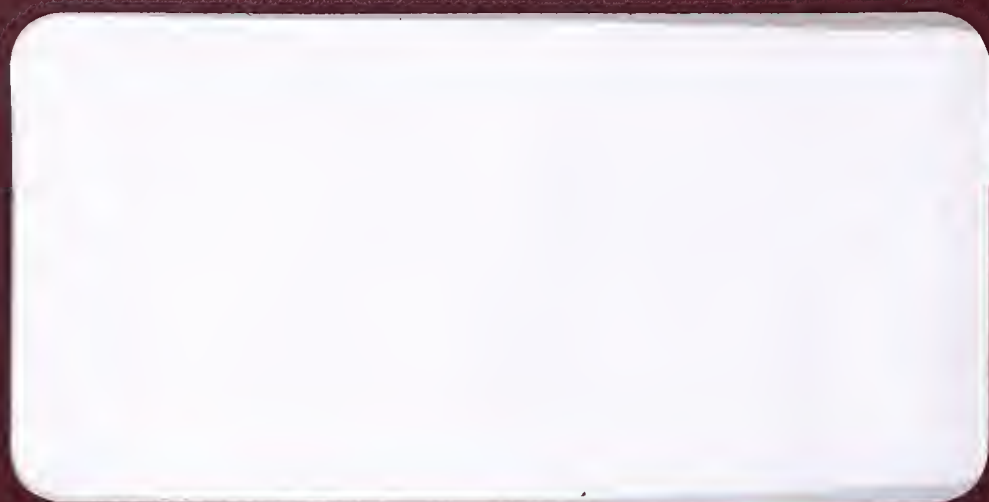


**Analysis of Professional
Services Companies
by E and Y Segments**

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Services Companies
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| DELIVERY MODE | E&Y SEGMENTS | | (COMMERCIAL MARKET ONLY) | | | | | |
|------------------------|---------------|---------------|--------------------------|---------------|---------------|---------------|---------------|---------------|
| | 1988 (\$M) | 1989 (\$M) | 1990 (\$M) | 1991 (\$M) | 1992 (\$M) | 1993 (\$M) | 1994 (\$M) | CAGR 89-94 |
| IT STRATEGY | 523 | 622 | 747 | 891 | 1075 | 1295 | 1543 | 20% |
| IT MANAGEMENT | 1690 | 2009 | 2413 | 2877 | 3472 | 4182 | 4987 | 20% |
| SYS.PLAN'G/DES./DEL. | 10642 | 12620 | 14688 | 17130 | 19990 | 23362 | 27413 | 17% |
| SYSTEMS MANAGEMENT | 760 | 999 | 1116 | 1267 | 1420 | 1630 | 1906 | 14% |
| TOTAL PROF.SVCS./SI | 13615 | 16250 | 18964 | 22165 | 25957 | 30470 | 35849 | 17% |
| SYS. MGMT (PROCESSING) | 3420 | 4084 | 4813 | 5682 | 6714 | 7942 | 9399 | 18% |
| GRAND TOTAL | 17035 | 20334 | 23776 | 27846 | 32671 | 38412 | 45248 | 17% |

| SEGMENTATION | 1988 (\$M) | 1989 (\$M) | 1990 (\$M) | 1991 (\$M) | 1992 (\$M) | 1993 (\$M) | 1994 (\$M) | CAGR 89-94 |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| MANUFACTURING | | | | | | | | |
| PROF. SERVICES / SI | 5040 | 6169 | 7243 | 8514 | 10025 | 11829 | 13986 | 18% |
| SYS. OPS (PROCESS.) | 300 | 491 | 579 | 681 | 801 | 943 | 1111 | 18% |
| TOTAL | 5340 | 6660 | 7821 | 9195 | 10826 | 12772 | 15098 | 18% |
| FINANCE | | | | | | | | |
| PROF. SERVICES / SI | 2056 | 2476 | 2951 | 3522 | 4208 | 5037 | 6040 | 20% |
| SYS. OPS (PROCESS.) | 1200 | 1416 | 1643 | 1905 | 2210 | 2564 | 2974 | 16% |
| TOTAL | 3256 | 3892 | 4594 | 5427 | 6418 | 7601 | 9014 | 18% |
| INSURANCE | | | | | | | | |
| PROF. SERVICES / SI | 1284 | 1491 | 1713 | 1970 | 2267 | 2613 | 3017 | 15% |
| SYS. OPS (PROCESS.) | 545 | 616 | 751 | 917 | 1118 | 1364 | 1664 | 22% |
| TOTAL | 1829 | 2107 | 2464 | 2887 | 3385 | 3977 | 4681 | 17% |
| DISTRIBUTION | | | | | | | | |
| PROF. SERVICES / SI | 615 | 742 | 877 | 1043 | 1249 | 1506 | 1830 | 20% |
| SYS. OPS (PROCESS.) | 75 | 83 | 100 | 120 | 145 | 175 | 209 | 20% |
| TOTAL | 690 | 825 | 977 | 1163 | 1393 | 1680 | 2039 | 20% |
| MEDICAL | | | | | | | | |
| PROF. SERVICES / SI | 393 | 467 | 532 | 609 | 699 | 806 | 935 | 15% |
| SYS. OPS (PROCESS.) | 550 | 635 | 725 | 835 | 960 | 1105 | 1270 | 15% |
| TOTAL | 943 | 1102 | 1257 | 1444 | 1659 | 1911 | 2205 | 15% |
| UTILITIES | | | | | | | | |
| PROF. SERVICES / SI | 1280 | 1497 | 1740 | 2023 | 2356 | 2746 | 3206 | 16% |
| SYS. OPS (PROCESS.) | 65 | 81 | 94 | 108 | 125 | 145 | 167 | 16% |
| TOTAL | 1345 | 1578 | 1834 | 2131 | 2481 | 2891 | 3373 | 16% |
| OTHER SERVICES | | | | | | | | |
| PROF. SERVICES / SI | 476 | 540 | 612 | 696 | 793 | 905 | 1036 | 14% |
| SYS. OPS (PROCESS.) | 25 | 30 | 37 | 45 | 56 | 68 | 84 | 23% |
| TOTAL | 501 | 570 | 649 | 741 | 849 | 973 | 1120 | 14% |
| EDUC./S&L GOV'T | | | | | | | | |
| PROF. SERVICES / SI | 2231 | 2591 | 2980 | 3430 | 3952 | 4559 | 5265 | 15% |
| SYS. OPS (PROCESS.) | 620 | 684 | 831 | 1012 | 1233 | 1504 | 1836 | 22% |
| TOTAL | 2851 | 3275 | 3811 | 4442 | 5185 | 6063 | 7101 | 17% |
| TRANSPORTATION | | | | | | | | |
| PROF. SERVICES / SI | 239 | 277 | 315 | 359 | 410 | 468 | 534 | 14% |
| SYS. OPS (PROCESS.) | 40 | 47 | 53 | 59 | 66 | 74 | 83 | 12% |
| TOTAL | 279 | 324 | 368 | 418 | 476 | 542 | 617 | 14% |
| ALL COMMERCIAL IND. | | | | | | | | |
| PROF. SERVICES / SI | 13614 | 16250 | 18963 | 22165 | 25959 | 30469 | 35849 | 17% |
| SYS. OPS (PROCESS.) | 3420 | 4084 | 4813 | 5682 | 6714 | 7942 | 9399 | 18% |
| GRAND TOTAL | 17034 | 20333 | 23776 | 27847 | 32673 | 38411 | 45248 | 17% |

TOP VENDORS BY DELIVERY MODE

| COMPANY | 1989 REVENUE (\$M) | MKT. SHARE (%) | NUMBER PROFESSIONALS (EST.) |
|--|--------------------------|----------------------|-----------------------------------|
| <u>IT Strategy</u> | | | |
| McKinsey | 95 | 15 | 630 |
| Andersen | 85 | 14 | 560 |
| IBM | 50 | 8 | 330 |
| A.D. Little | 40 | 6 | 260 |
| Booz-Allen | 30 | 5 | 200 |
| <u>IT Managment</u> | | | |
| IBM | 160 | 8 | 1280 |
| Andersen | 92 | 5 | 730 |
| CSC | 60 | 3 | 480 |
| Booz-Allen | 60 | 3 | 480 |
| EDS | 55 | 3 | 440 |
| A.D. Little | 55 | 3 | 440 |
| <u>Systems Development</u> | | | |
| IBM | 577 | 5 | 6400 |
| Andersen | 533 | 4 | 5920 |
| EDS | 234 | 2 | 2600 |
| AGS/NYNEX | 225 | 2 | 2500 |
| CSC | 220 | 2 | 2440 |
| DEC | 201 | 2 | 2230 |
| <u>Systems Management (Non Fed, Pfs.Svcs.)</u> | | | |
| CSC | 85 | 9 | 1130 |
| BCS | 47 | 5 | 620 |
| EDS | 46 | 5 | 610 |
| Andersen | 18 | 2 | 240 |

MANUFACTURING

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| IBM | 286 |
| Andersen | 270 |
| EDS | 144 |
| CTG | 115 |
| CSC | 101 |
| DEC | 87 |
| AGS/NYNEX | 82 |
| KPMG (Peat) | 74 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| EDS | 107 |
| A.D. Little | 30 |
| CSC | 19 |
| Andersen | 10 |

DISTRIBUTION

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| Andersen | 60 |
| CSC | 57 |
| EDS | 48 |
| Unisys | 32 |
| DMR | 28 |
| IBM | 25 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| EDS | 39 |

FINANCE

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| Andersen | 115 |
| AGS/NYNEX | 82 |
| TRW | 81 |
| AT&T | 57 |
| SEI Corp | 44 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|------------------------|----------------|
| ADP | 170 |
| Securities Ind. Auto | 120 |
| Citicorp Info | 94 |
| Total Systems Services | 40 |

INSURANCE

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| IBM | 73 |
| EDS | 58 |
| Policy Mgt | 58 |
| Andersen | 47 |
| CSC | 44 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| EDS | 122 |
| Policy Mgt | 80 |
| CSC | 65 |

HEALTH

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|-------------------|----------------|
| Andersen | 49 |
| McDonnell Douglas | 30 |
| HBO | 27 |
| CSC | 25 |
| Keane | 17 |
| SMS | 17 |
| Deloitte | 16 |
| IBM | 16 |
| A.D. Little | 15 |
| Price Waterhouse | 15 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| SMS | 124 |
| CSC | 26 |
| Cycare | 21 |

UTILITIES

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| Andersen | 75 |
| DEC | 74 |
| IBM | 50 |
| CSC | 43 |
| CDC | 41 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| EDS | 15 |

EDUCATION/S&L GOVERNMENT

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| Unisys | 73 |
| CSC | 70 |
| OA0 | 63 |
| Andersen | 63 |
| EDS | 50 |
| DEC | 47.4 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| EDS | 74 |
| CSC | 35 |

TRANSPORTATION

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|-------------------|----------------|
| Andersen | 29 |
| Unisys | 22 |
| IBM | 13 |
| A.D. Little | 12 |
| McDonnell Douglas | 12 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
|----------------|----------------|

Note: No vendors found having over \$10 million in revenue.

OTHER/SERVICES

Professional Services

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
| IBM | 41 |
| CTG | 25.1 |
| MARC | 23.3 |
| Andersen | 20.1 |
| E&Y | 20 |

Systems Operations

| <u>Company</u> | <u>Revenue</u> |
|----------------|----------------|
|----------------|----------------|

Note: No vendor found with over \$10 million in revenue.

PROFILES OF PROFESSIONAL SERVICES
REVENUES OF MAJOR VENDORS/COMPETITORS

| <u>Company</u> | <u>Segment</u> | | | | | | | |
|------------------|----------------|---------|----------|---------|----------|---------|-----------|---------|
| | IT Strategy | | IT Mgt | | Sys Dev. | | Sys. Mgt. | |
| | Seg. Rev | Percent | Seg. Rev | Percent | Seg. Rev | Percent | Seg. Rev | Percent |
| IBM | 50 | 6 | 160 | 20 | 577 | 74 | | |
| ANDERSEN | 85 | 12 | 92 | 13 | 533 | 73 | 18 | 2 |
| CSC | 15 | 4 | 60 | 16 | 220 | 58 | 85 | 22 |
| EDS | 30 | 8 | 55 | 15 | 234 | 64 | 46 | 13 |
| DEC | 25 | 8 | 43 | 15 | 201 | 69 | 25 | 8 |
| AD LITTLE | 40 | 18 | 55 | 25 | 93 | 41 | 35 | 16 |
| BOOZ ALLEN | 30 | 29 | 60 | 57 | 15 | 14 | | |
| MCKINSEY | 95 | 76 | 30 | 24 | | | | |
| DEL. TOUCHE | 10 | 8 | 28 | 21 | 94 | 71 | | |
| PRICE WATERHOUSE | 20 | 17 | 37 | 32 | 59 | 51 | | |
| KPMG(Peat) | 4 | 3 | 12 | 10 | 107 | 87 | | |
| C&L | 2 | 1 | 7 | 4 | 180 | 95 | | |

PROFILES

IBM

Does not emphasize strategy consulting. More interested in serving development since this will promote sales of hardware although IBM has strength in the CSF's necessary to gain work elsewhere. Emphasizing IS work in selected vertical markets where there is significant hardware/software potential. Alliances generally sought in relation to long term strategies.

ANDERSEN

Emphasize strategy consulting as a means of selling IT management consulting and development. Strong planning and use of methodology for strategy consulting as well as selection of targets in manufacturing and other vertical markets. Also employs acquisition/development of resources and use of alliances to meet goals.

CSC

Past reputation and capabilities have resulted in system development and operation work in manufacturing, distribution, health and insurance. Has bolstered ability to gain strategy consulting work through acquisition of Index and other staff, but has not emphasized IT management consulting similarly causing an anomaly in growth rates of different activities.

EDS

Driven to gain business in development and system operation with less emphasis on consulting as illustrated by the difference in growth rates. EDS has used acquisitions, system software tools and development and operational oriented methodologies in selected target verticals in manufacturing, insurance and other markets to meet goals.

DEC

As with IBM, DEC has been inclined to seek development work rather than consulting in order to promote equipment sales. Noting that consulting leads to equipment decisions, emphasis on strategy and IT management consulting is being increased. DEC is also being approached for system operation work.

DELOITTE TOUCHE

Have developed ability and a reputation in development and IT management consulting that the company is trying to build upon to gain more strategy consulting work. Have not developed the planning methods or capabilities of Andersen or others to really move ahead.

PRICE WATERHOUSE

Have maintained a presence in IT strategy and management consulting as well as in development. Do not have the credentials or planning of Andersen or McKinsey to really grow strategy consulting or the drive and capabilities of Andersen and EDS in development.

KPMG and Coopers/Lybrand

Have concentrated on capabilities to support development work, but could be exposed to attacks from Andersen Consulting, CSC or other companies that utilize assignments in IT strategy and management consulting to promote development work. Also, their work on development methodology and tools has not been as intensive related to planning for revenue gains as similar work of Andersen, EDS or CSC.

A.D. LITTLE

Company often acts like a non-profit organization with work in IS and other areas. Its development, systems operation and other assignments may be involved with new imaging technology or factory floor automation. This orientation results in greater emphasis on IT management consulting and development as shown in growth and revenue activities.

BOOZ ALLEN

Relies on business knowledge to gain business in IT strategy and management consulting, but does not compete for system development work as much and neglects opportunities for system operation.

McKINSEY

Emphasizes high level problem solving ability to gain IT strategy consulting (primarily) and IT management consulting. Regards other consulting work as less important (and prone to pitfalls). Not as apt to have continuing IT related assignments at a client as Andersen and EDS.

Critical Success Factors

Strategy Consulting

DRAFT

| | <u>IBM</u> | <u>ANDERSEN</u> | <u>CSC</u> | <u>EDS</u> | <u>DEC</u> | <u>ADL</u> | <u>BOOZ</u> | <u>AGS</u> | <u>MCKINSEY</u> |
|---------------------------------------|------------|-----------------|------------|------------|------------|------------|-------------|------------|-----------------|
| - Executive Contacts | 5 | 5 | 4 | 3 | 3 | 3 | 4 | 2 | 5 |
| - Sr IS Contacts | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 3 | 3 |
| - Mgt Consulting Skills | 3 | 4 | 4 | 3 | 3 | 4 | 5 | 2 | 5 |
| - Mgt Consulting Image | 3 | 3 | 4 | 3 | 3 | 4 | 4 | 2 | 5 |
| - Successful IT Strategy Assignm'ts | 4 | 4 | 4 | 3 | 3 | 4 | 4 | 3 | 5 |
| - Comprehensive Systems Knowledge | 4 | 4 | 4 | 4 | 3 | 4 | 4 | 3 | 4 |
| - Knowledge of Industry Business | 3 | 4 | 4 | 4 | 3 | 4 | 5 | 2 | 5 |
| - Knowledge of IT Issues in Industry | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 3 | 4 |
| - Planning/Methodology for Consulting | 3 | 5 | 4 | 3 | 3 | 4 | 4 | 2 | 5 |

Critical Success Factors

IT Management Consulting

DRAFT

| | <u>IBM</u> | <u>ANDERSEN</u> | <u>CSC</u> | <u>EDS</u> | <u>DEC</u> | <u>ADL</u> | <u>BOOZ</u> | <u>AGS</u> | <u>MCKINSEY</u> |
|---------------------------------------|------------|-----------------|------------|------------|------------|------------|-------------|------------|-----------------|
| - Executive Contacts | 5 | 5 | 4 | 3 | 3 | 3 | 4 | 2 | 5 |
| - Sr IS Contacts | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 3 | 3 |
| - Mgmt Consulting Skills | 3 | 4 | 4 | 3 | 3 | 4 | 5 | 2 | 5 |
| - IS Mgmt Knowledge | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 2 | 3 |
| - Knowledge of IS Use In Industry | 4 | 5 | 4 | 4 | 3 | 4 | 3 | 3 | 5 |
| - Comprehensive IS Ops. Knowledge | 4 | 3 | 4 | 5 | 3 | 3 | 3 | 3 | 3 |
| - Knowledge of IS Development | 4 | 4 | 5 | 4 | 4 | 3 | 3 | 4 | 2 |
| - Planning/Methodology for Consulting | 3 | 5 | 4 | 3 | 3 | 4 | 4 | 2 | 5 |

Critical Success Factors

Development

DRAFT

| | <u>IBM</u> | <u>ANDERSEN</u> | <u>CSC</u> | <u>EDS</u> | <u>DEC</u> | <u>ADL</u> | <u>BOOZ</u> | <u>AGS</u> | <u>MCKINSEY</u> |
|------------------------------------|------------|-----------------|------------|------------|------------|------------|-------------|------------|-----------------|
| - Executive Contacts | 5 | 5 | 4 | 3 | 3 | 3 | 4 | 2 | 5 |
| - Operating Dept Contacts | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 3 | NA |
| - Sr IS Contacts | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 3 | 3 |
| - Project Mgmt/Organization Skills | 3 | 4 | 4 | 4 | 3 | 3 | 2 | 4 | NA |
| - Broad Technical Skills | 5 | 4 | 4 | 4 | 5 | 3 | 3 | 4 | NA |
| - Knowledge of IS Use In Industry | 4 | 5 | 4 | 4 | 3 | 4 | 3 | 3 | 5 |
| - Proposal Preparation | 3 | 4 | 4 | 4 | 3 | ? | 4 | 4 | NA |
| - Internal Controls | 4 | 5 | 4 | 5 | 3 | 3 | 3 | 2 | NA |
| - Alliance Management | 4 | 3 | 3 | 3 | 3 | ? | ? | ? | NA |
| - Development Methodology | 4 | 4 | 2 | 2 | 2 | 2 | 1 | 2 | NA |
| - Sources of Technical Skills | 4 | 4 | 4 | 4 | 4 | ? | ? | 3 | NA |
| - Sources for Low Cost Equipment | 5 | 4 | 4 | 5 | 5 | 1 | 1 | 2 | NA |
| - Pricing Strategy | 3 | 3 | 4 | 4 | 3 | NA | NA | 2 | NA |
| - Advanced Tech Orientation/Image | 5 | 5 | 5 | 4 | 5 | 5 | NA | 3 | NA |

Critical Success Factors

Systems Management/Systems Operation

DRAFT

| | <u>IBM</u> | <u>ANDERSEN</u> | <u>CSC</u> | <u>EDS</u> | <u>DEC</u> | <u>ADL</u> | <u>BOOZ</u> | <u>AGS</u> | <u>MCKINSEY</u> |
|------------------------------------|------------|-----------------|------------|------------|------------|------------|-------------|------------|-----------------|
| - Systems Operations Mgt Knowledge | 3 | 2 | 5 | 5 | 3 | 1 | 1 | 2 | NA |
| - Sources for Low Cost Equipment | 5 | 4 | 4 | 5 | 5 | 1 | 1 | 2 | NA |
| - Sr IS Contacts | 5 | 4 | 3 | 3 | 4 | 3 | 3 | 3 | 3 |
| - Executive Contacts | 5 | 5 | 4 | 3 | 3 | 3 | 4 | 2 | 5 |
| - Proposal Preparation | 3 | 4 | 4 | 4 | 3 | ? | 4 | 4 | NA |
| - Pricing Strategy | 3 | 4 | 4 | 4 | 3 | NA | NA | 2 | NA |
| - Internal Controls | 4 | 5 | 4 | 5 | 3 | 3 | 3 | 2 | NA |
| - Alliance Mgmt | 4 | 3 | 3 | 3 | 3 | ? | ? | ? | NA |
| - Knowledge of IS Use In Industry | 4 | 5 | 4 | 4 | 3 | 4 | 3 | 3 | 5 |
| - Financial Strength | 5 | 4 | 4 | 5 | 4 | NA | NA | 5 | NA |

MERGERS AND ACQUISITIONS
PROFESSIONAL SERVICE FIRMS

| <u>Firm</u> | <u>Acquired Firm</u> | <u>Year</u> |
|---------------------|--|-------------|
| Andersen Consulting | -Courseware | 1989 |
| | -Kestnbaum & Co | 1988 |
| CSC | -Inform Ltd (U.K.) | 1989 |
| | -CIG Intersys Group (Belgium) | 1989 |
| | -Cleveland Consulting Associate (Cleveland) | 1989 |
| | -LPS, Inc. (Minneapolis) | 1989 |
| | -Inforem, Ltd. (Weybridge, England) | 1989 |
| | -Computer Partners (Boston) | 1988 |
| | -Index Group (Cambridge, MA) | 1988 |
| | -CIG-Intersys Group (Belgium) | 1988 |
| | -Seako, Inc. | 1988 |
| | -Scientific Integrated Systems Services | 1988 |
| CTG | -Maxima Computer Management Consultants Inc. | 1986 |
| | -Shubrooks International, Ltd (GB) | 1986 |
| NYNEX | -Quadra Systems, Inc. (San Antonio) | 1986 |
| | -United Software Consultants, Inc. (Chicago, IL) | 1986 |
| | -AGS Computers | |
| | -Multiple Tech. (Detroit, MI) | |
| CBIS | -Teco Technologies (Tampa, FL) | |
| | -Auxton Computer Enterprises (Maitland, FL) | 1987 |
| | -Vanguard Technologies International (Fairfax, VA) | |
| | | 1988 |
| E&Y C&L | -Network Strategies, Inc (Fairfax, VA) | |
| | -Computer Assistance (West Hartford, CT) | |

JOINT VENTURES, ALLIANCES & INVESTMENTS

| <u>Firm</u> | <u>Type</u> | <u>Other Vendors</u> | <u>Notes: (Products/Services)</u> |
|------------------|---------------|-------------------------|-----------------------------------|
| IBM | Alliance | CTG | AD/Cycle |
| IBM | Alliance | CAP Gemeni America | AD/Cycle |
| IBM | Alliance | G.E. Consulting | AD/Cycle |
| IBM | Alliance | Computer Power Group | AD/Cycle |
| IBM | Alliance | Andersen Consulting | Marketing |
| IBM | Alliance | Keane, Inc. | Marketing |
| IBM | Alliance | Planning Research Corp. | Marketing |
| IBM | Alliance | SAGE Federal Systems | Marketing |
| IBM | Investment | KnowledgeWare | CASE |
| IBM | Investment | Bachman Info. Systems | CASE |
| IBM | Investment | Index Technology | CASE |
| IBM | Joint Venture | Baxter-Travenol | Marketing |
| CTG | Joint Venture | A.T. Kearney | Prof. Services |
| Bell Atlantic | Joint Venture | American Mgt. Systems | Network Services |
| Andersen Conslt. | Alliances | DEC | Insurance Software |
| | | MSA | Accounting Software |
| | | McCormack & Dodge | Accounting Software |
| C&L | Alliances | McCormack & Dodge | Accounting Software |
| | | MSA | Accounting Software |
| | | AMS | Accounting Software |

JOINT VENTURES, ALLIANCES & INVESTMENTS
continued

| | | | |
|------------------------------|------------|--|--|
| Deloitte, Haskins & Sells | Alliances | Holland Systems Index Technology | CASE CASE |
| E&Y | Alliances | MSA McCormack & Dodge Integral Systems | Accounting Software Accounting Software Accting; hum res. Software |
| Price Waterhse | Alliances | Qronos | Manufacturing Software |
| IBM | Investment | CTG | Max 19.9% stake |
| IBM | Investment | American Mgt System | Max 20% stake |
| IBM | Investment | Policy Mgt Systems | Current 20% stake |
| IBM | Investment | Baxter Healthcare Corp. | Partnership |

| COMPANY | 1987 | | | | | 1988 | | | | | 1989 | | | | |
|------------------|----------------|------|-------|------------|----------------|------|-------|------------|----------------|-------|-------|------------|----------------|------|-------|
| | IT | IT | SYS. | SYS. | TOTAL | IT | IT | SYS. | SYS. | TOTAL | IT | IT | SYS. | SYS. | TOTAL |
| | STRITGY. MGMT. | DEV. | MGMT. | PFS. SVCS. | STRITGY. MGMT. | DEV. | MGMT. | PFS. SVCS. | STRITGY. MGMT. | DEV. | MGMT. | PFS. SVCS. | STRITGY. MGMT. | DEV. | MGMT. |
| ANDERSEN | 41 | 52 | 302 | | 395 | 60 | 70 | 405 | 15 | 550 | 85 | 92 | 533 | 18 | 728 |
| C & L | 1 | 3 | 140 | | 144 | 1 | 5 | 155 | | 161 | 2 | 7 | 180 | | 189 |
| DELOITTE | 8 | 15 | 90 | | 113 | 10 | 20 | 93 | | 123 | 10 | 28 | 94 | | 132 |
| PRICE WATERHOUSE | 12 | 18 | 50 | | 80 | 17 | 25 | 55 | | 97 | 20 | 37 | 59 | | 116 |
| KPMG (PEAT) | 3 | 6 | 60 | | 69 | 4 | 9 | 81 | | 94 | 4 | 12 | 107 | | 123 |
| McKINSEY | 65 | 16 | | | 81 | 78 | 22 | | | 100 | 95 | 30 | | | 125 |
| BOOZ ALLEN | 21 | 48 | | | 69 | 25 | 54 | 11 | | 90 | 30 | 60 | 15 | | 105 |
| A.D. LITTLE | 34 | 44 | 70 | | 148 | 37 | 49 | 79 | 20 | 185 | 40 | 55 | 93 | 35 | 223 |
| IBM | 43 | 134 | 481 | | 658 | 46 | 142 | 526 | | 714 | 50 | 160 | 577 | | 787 |
| DEC | 12 | 39 | 165 | 9 | 225 | 18 | 41 | 180 | 16 | 255 | 25 | 43 | 201 | 25 | 294 |
| EDS | 14 | 30 | 156 | 31 | 231 | 22 | 39 | 192 | 38 | 291 | 30 | 55 | 234 | 46 | 365 |
| CSC | 9 | 47 | 170 | 62 | 288 | 12 | 53 | 195 | 73 | 333 | 15 | 60 | 220 | 85 | 380 |

ESTIMATED NUMBER OF IS PROFESSIONALS (ROUNDED TO THE NEAREST 5)

| COMPANY | 1987 | | | | 1988 | | | | 1989 | | | | | | |
|------------------|---------|-------|------|-------|------------|---------|-------|------|-------|------------|---------|-------|------|-------|------------|
| | IT | IT | SYS. | SYS. | TOTAL | IT | IT | SYS. | SYS. | TOTAL | IT | IT | SYS. | SYS. | TOTAL |
| | STRATEG | MGMT. | DEV. | MGMT. | PFS. SVCS. | STRATEG | MGMT. | DEV. | MGMT. | PFS. SVCS. | STRATEG | MGMT. | DEV. | MGMT. | PFS. SVCS. |
| ANDERSEN | 330 | 500 | 4000 | | 4830 | 440 | 615 | 4935 | 220 | 6210 | 560 | 730 | 5920 | 240 | 7450 |
| C & L | 10 | 30 | 1855 | | 1895 | 10 | 45 | 1890 | | 1945 | 15 | 55 | 2000 | | 2070 |
| DELOITTE | 65 | 145 | 1190 | | 1400 | 70 | 175 | 1135 | | 1380 | 70 | 225 | 1045 | | 1340 |
| PRICE WATERHOUSE | 95 | 170 | 660 | | 925 | 125 | 220 | 670 | | 1015 | 135 | 295 | 655 | | 1085 |
| KPMG (PEAT) | 25 | 60 | 795 | | 880 | 30 | 80 | 990 | | 1100 | 30 | 95 | 1190 | | 1315 |
| McKINSEY | 520 | 155 | | | 675 | 575 | 195 | | | 770 | 635 | 245 | | | 880 |
| BOOZ ALLEN | 170 | 460 | | | 630 | 185 | 475 | 135 | | 795 | 200 | 480 | 170 | | 850 |
| A.D. LITTLE | 270 | 420 | 925 | | 1615 | 270 | 430 | 965 | 290 | 1955 | 270 | 440 | 1035 | 465 | 2210 |
| IBM | 340 | 1280 | 6370 | | 7990 | 340 | 1280 | 6400 | | 8020 | 340 | 1280 | 6410 | | 8030 |
| DEC | 95 | 360 | 2185 | 145 | 2785 | 130 | 360 | 2195 | 235 | 2920 | 165 | 360 | 2235 | 330 | 3090 |
| EDS | 110 | 285 | 2065 | 490 | 2950 | 160 | 345 | 2340 | 555 | 3400 | 200 | 440 | 2600 | 615 | 3855 |
| CSC | 70 | 450 | 2250 | 985 | 3755 | 90 | 465 | 2375 | 1065 | 3995 | 100 | 480 | 2445 | 1135 | 4160 |

